

AMENDED IN SENATE JUNE 13, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1516**

**Introduced by Assembly Member Arambula**

February 22, 2005

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An act to amend Section 15570 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1516, as amended, Arambula. Economic strategy panel: meetings.

Existing law requires the Secretary of Labor and Workforce Development to convene a biennial economic strategy panel to provide recommendations regarding a California economic development strategic plan. Existing law requires the panel to hold meetings to address specified matters of concern.

This bill would include ~~workforce readiness to fill new jobs in expanding industries~~ *the development of a California Regional Economies Project, with specified components*, within the matters of concern to be addressed in the panel's meetings.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 15570 of the Government Code is
- 2 amended to read:
- 3 15570. (a) The secretary shall lead the preparation of a
- 4 biennial California Economic Development Strategic Plan. In
- 5 fulfilling this duty, the secretary shall do the following:

(1) Review the recommendations made by the California Economic Strategy Panel in their biennial economic development strategic plan document. This document shall make recommendations regarding an economic development strategic plan for the state, covering a two-year time period and containing a statement of economic goals for the state, a prioritized list identifying significant issues learned from economic development strategic plan panel meetings, proposals for legislation, regulations, and administrative reforms necessary to improve the business climate and economy of the state, evaluation of the effectiveness of the state's economic development programs, a list of key industries in which the state shall focus its economic development efforts, and strategies to foster job growth and economic development covering all state agencies, offices, boards, and commissions that have economic development responsibilities.

(2) Convene a biennial economic strategy panel to provide recommendations regarding a California economic development strategic plan. This panel shall conduct meetings in Sacramento, all cities of the state with populations over 500,000, and in major cities of other regions of California as designated by the secretary. The secretary shall invite businesses, labor unions, organizations representing the interests of diverse ethnic and gender groups, local government leaders, academic economists and business professors, chambers of commerce and other business organizations, government agencies, and key industries to contribute to the preparation of the recommended economic strategy. These meetings shall address at least the following matters of concern:

(A) Strengths and weaknesses of the California economy and the state's prospects for future economic prosperity.

(B) Emerging and declining industries in California and elsewhere.

(C) Effectiveness of California's economic development programs in creating and retaining jobs and attracting industries.

(D) Adequacy of state and local physical and economic infrastructure.

(E) Government impediments to economic development.

(F) The development of a system of accountability for use in the annual state budget process and in the legislative process to

1 measure the performance of all state policies, programs, and tax  
2 expenditures intended to stimulate the economy. In developing a  
3 system of accountability, the panel shall, by using only existing  
4 resources and without future budget augmentation made for this  
5 purpose, do all of the following:

6 (i) Develop a standard definition of economic development.

7 (ii) Develop, for use in state law, standard measurements of  
8 real per capita income, job growth, new business creation, private  
9 sector investment, minority entrepreneurship, and income  
10 inequality.

11 (iii) Survey and evaluate efforts in other states to develop  
12 accountability measures for public investments in economic  
13 development.

14 (iv) Determine whether a return on investment calculation is  
15 feasible for public investments in economic development.

16 (v) Conduct a comparative study of various methodologies for  
17 preparing the economic development sections of a state budget,  
18 including unified functional budget, zero-based budget, and  
19 performance-based budget methodologies.

20 (vi) Study the feasibility of statutory disclosure requirements  
21 on specified publicly funded subsidies to private sector  
22 businesses.

23 (vii) Submit a report of its findings and recommendations  
24 regarding this subparagraph to the Legislature no later than one  
25 year after its first meeting after January 1, 2005.

26 ~~(G) Workforce readiness to fill new jobs in expanding~~  
27 ~~industries.~~

28 *(G) The development of a California Regional Economies*  
29 *Project that measures the performance of California's regional*  
30 *economies for purposes of economic and workforce development*  
31 *planning, and connects economic and workforce policies and*  
32 *programs at the state and regional levels. In developing this*  
33 *project, the panel shall, in collaboration with the California*  
34 *Workforce Investment Board, do all of the following:*

35 *(i) Identify sectors for innovation and growth.*

36 *(ii) Identify workforce and other policies to support high*  
37 *growth sectors.*

38 *(iii) Focus on the region's economic base.*

39 *(iv) Identify sectors where people can find career paths and*  
40 *upward mobility.*

1     (v) *Identify workforce policies that support both individuals*  
2     *and sectors.*

3     (vi) *Focus on population-serving sectors that provide a*  
4     *significant number of jobs for the region, whether or not they*  
5     *also demonstrate rapid growth potential.*

6     (vii) *Include as part of the process, public regional economic*  
7     *forums to present the results of draft Economic Base Reports and*  
8     *industry cluster studies and obtain participants' input to help*  
9     *identify industry clusters of opportunity for more in-depth study.*

10    (viii) *Continuously measure performance throughout the*  
11    *California economy.*

12    (ix) *Enable users statewide to obtain, interpret, and apply*  
13    *economic and workforce information from all sources, including*  
14    *electronic sources.*

15    (b) The panel shall be composed of the following 15 members:

16    (1) The Secretary of Labor and Workforce Development, who  
17    shall serve as chair of the panel.

18    (2) Eight persons appointed by the Governor.

19    (3) The Speaker of the Assembly or his or her designee.

20    (4) The President pro Tempore of the Senate or his or her  
21    designee.

22    (5) The Minority Leader of the Assembly or his or her  
23    designee.

24    (6) The Minority Leader of the Senate or his or her designee.

25    (7) One person appointed by the Speaker of the Assembly.

26    (8) One person appointed by the Senate Committee on Rules.

27    (c) The panel shall be representative of state government,  
28    business, labor, finance, and academic institutions, and shall be  
29    broadly reflective of the state's population as to gender, ethnicity,  
30    and geographic residence within California.

31    At least one-half of all the persons on the panel shall be from  
32    the private sector and at least two appointments shall be from  
33    private businesses with less than 50 employees. At least two  
34    appointments shall be from rural areas of the state. Beginning  
35    January 1, 2004, appointments to the panel shall be for four-year  
36    terms, except that the Governor's appointments made pursuant to  
37    paragraph (2) of subdivision (b) shall be made as follows:

38    (1) Four members shall be appointed on January 1, 2004, and  
39    every four years thereafter.

1 (2) Four members shall be appointed on January 1, 2004, for a  
2 two-year term.

3 (3) Upon the expiration of the initial appointments made  
4 pursuant to paragraph (2), four members shall be appointed on  
5 January 1, 2006, and every four years thereafter.

6 (d) The secretary shall deliver copies of the economic strategy  
7 panel's recommended California economic development strategic  
8 plan to every constitutional officer, legislator, member of the  
9 Governor's cabinet, members of the economic development  
10 strategic plan panel, and every state agency, office, board, and  
11 commission having economic development responsibilities.

12 (e) In each succeeding two-year cycle, the secretary shall  
13 undertake this process anew, so as to update the economic  
14 strategy on or before October 31 of each succeeding second year.